

RECORD OF PROCEEDINGS

February 12, 2018

The Colorado Oil and Gas Conservation Commission (“COGCC” or “Commission”) met on February 12, 2018, at the Denver office of the COGCC located at 1120 Lincoln Street, Suite 801, Denver, CO 80203. The purpose of this hearing was to discuss Mill Levy Rulemaking and to consider Consent Agenda items.*

Monday, February 12, 2018

9:10 am **Roll Call of Commissioners:**

Present:

John Benton	Chair
Tommy Holton	Vice Chair
Howard Boigon	Vice Chair
Ashley Ager	Commissioner
Bill Hawkins	Commissioner
Kent Jolley	Commissioner
Erin Overturf	Commissioner
Bob Randall	Commissioner
Dr. Larry Wolk	Commissioner
Matt Lepore	Director
Kyle Davenport	Assistant Attorney General
Julie Prine	Secretary

9:20 am **Public Comment:**

Limited to Mill Levy Rulemaking only.

Josh Joshwick: Speaking on behalf of Earthworks Oil & Gas Accountability Project. Speaker also submitted written comments to the Commission.

Commissioner Holton joined the hearing telephonically at 9:20am.

Commissioner Wolk arrived at 9:45am.

9:46 am **Consent Agenda:**

* Commission proceedings began at 9:10 am MDT on February 12, 2018. Time stamps provided throughout these minutes reflect the approximate time of day that the agenda item was addressed by the Commission. The audio recording of this Hearing can be found at <https://www.youtube.com/channel/UC85gdSA3EWoxH1kzjE-USbw>

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Motion:	Commissioner Hawkins moved to approve Groups A, B, C, and D on the Consent Agenda.		
Second:	Commissioner Jolley		
Yea:	All	Abstain:	None
Nay:	None	Recused:	None
Result:	Unanimously Approved.		

Presentations from OGCC/DNR-EDO Staff:

- Matt Lepore, Director
- Wendy Schultz, OGCC Budget Director
- Bill Levine, DNR Budget Director
- Carly Jacobs, DNR Budget Analyst

Presentations from Parties:

- Affiliated Local Governments (Boulder County, City of Lafayette, City of Longmont)
- API-CPC / COGA

Commissioner Deliberations:

Motion:	Commissioner Randall moved to increase the Mill Levy by four tenths to 1.1 Mills.		
Second:	Commissioner Boigon		
Yea:	All	Abstain:	None
Nay:	None	Recused:	None
Result:	Unanimously Approved.		

Special Hearing of Docket No. 180100099:

Order 407-2366, Docket No. 180100099, Weld County

Subject: Approves Bayswater Exploration & Production, LLC's request for an order to among other things: Establish an approximate 640-acre drilling and spacing unit for the Application Lands and approve up to 10 horizontal wells within the unit, for production of oil, gas, and associated hydrocarbons from the Niobrara and Codell Formations.

Application lands: Township 7 North, Range 66 West, 6th P.M. Section 35: N½ Section 36: N½

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Motion:	Commissioner Boigon moved to approve Docket No. 180100099.		
Second:	Commissioner Wolk		
Yea:	All	Abstain:	None
Nay:	None	Recused:	None
Result:	Unanimously approved.		

Presentation by OGCC Staff, Re: New Flowline Form 44:

- Ellice Hazard, Permitting Unit

Motion:	Commissioner Jolley moved to adjourn.		
Second:	Commissioner Boigon		
Yea:	All	Abstain:	None
Nay:	None	Recused:	None
Result:	Commission is adjourned.		

Approved Consent Orders: See Appendix A

-END-

FOR THE COLORADO OIL AND GAS
CONSERVATION COMMISSION


Julie Spence Prine, Secretary

Approved:


John Benton, Chair

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Appendix A

Approved Consent Orders

Group A

Order 535-940, Docket No. 171200768, Weld County

Subject: Approves Bison Oil & Gas II, LLC's request for an order to among other things: Establish an approximate 1,280-acre drilling and spacing unit for the production of the Niobrara, Ft. Hays, Codell, and Carlile Formations, and approve up to 20 horizontal wells within the unit.

Application lands: Township 8 North, Range 60 West, 6th P.M. Section 4: All Section 9: All

Order 407-2363, Docket No. 171200833, Adams & Weld Counties

Subject: Approves Petro Operating Company LLC's request for an order to among other things: Establish an approximate 1,241-acre drilling and spacing unit covering the Application Lands and approve up to twenty-four (24) horizontal wells for the production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations.

Application lands: Township 1 South, Range 66 West, 6th P.M. Section 3: All Section 10: W½
Township 1 North, Range 66 West, 6th P.M. Section 34: S½

Order 535-944, Docket No. 180100030, Arapahoe County

Subject: Approves Bison Exploration's request for an order to among other things: Establish an approximate 640-acre drilling and spacing unit covering the Application Lands for the production of oil, gas, and associated hydrocarbons from the Niobrara Formation, and approve up to 16 horizontal wells within the unit.

Application lands: Township 4 South, Range 64 West, 6th P.M. Section 35: All

Order 535-945, Docket No. 180100031, Arapahoe County

Subject: Approves Bison Exploration's request for an order to among other things: Allow additional 14 wells, for a total of 16 horizontal wells, in an established 1,280-acre drilling and spacing unit for the production of oil, gas, and associated hydrocarbons from the Niobrara Formation.

Application lands: Township 5 South, Range 64 West, 6th P.M. Section 11: All Section 12: All

Order 535-946, Docket No. 180100032, Arapahoe County

Subject: Approves Bison Exploration's request for an order to among other things: Establish an approximate 1,280-acre drilling and spacing unit covering the Application Lands for the production of oil, gas, and associated hydrocarbons from the Niobrara Formation, and approve up to 16 horizontal wells within the unit.

Application lands: Township 5 South, Range 64 West, 6th P.M. Section 35: All Section 36: All

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Order 535-947, Docket No. 180100066, Weld County

Subject: Approves Whiting Oil and Gas Corporation's request for an order to among other things: Pool all interests in one approximate 960-acre drilling and spacing unit established for the Application Lands, for the development and operation of the Niobrara Formation.

Application lands: Township 1 South, Range 66 West, 6th P.M. Section 35: All Township 2 South, Range 66 West, 6th P.M. Section 2: All

Order 535-948, Docket No. 180100068, Weld County

Subject: Approves Whiting Oil and Gas Corporation's request for an order to among other things: Pool all interests in one approximate 960-acre drilling and spacing unit established for the Application Lands, for the development and operation of the Niobrara Formation.

Application lands: Township 10 North, Range 58 West, 6th P.M. Section 28: S½ Section 33: All

Order 535-949, Docket No. 180100069, Weld County

Subject: Approves Whiting Oil and Gas Corporation's request for an order to among other things: Pool all interests in one approximate 960-acre drilling and spacing unit established for the Application Lands, for the development and operation of the Niobrara Formation.

Application lands: Township 10 North, Range 57 West, 6th P.M. Section 19: All Section 30: N½

Order 407-2370, Docket No. 180100106, Weld County

Subject: Approves Bayswater Exploration & Production, LLC's request for an order to among other things: Pool all interests in two approximate 655.83-acre horizontal wellbore spacing unit.

Application lands: Township 6 North, Range 66 West, 6th P.M. Section 7: S½SE¼ Section 8: S½S½ Section 9: S½SW¼ Section 16: N½NW¼ Section 17: N½N½ Section 18: N½NE¼

Group B

Order 531-56, Docket No. 171000763, Weld County

Subject: Approves SandRidge Exploration & Production LLC's request for an order to among other things: Modify the setbacks for the Application Land.

Application lands: Township 7 North, Range 81 West, 6th P.M. Section 3: All Section 4: All Section 5: All Section 6: All Section 7: All Section 8: All Section 9: All Section 16: All Section 21: All Township 8 North, Range 81 West, 6th P.M. Section 21: All Section 22: All Section 23: S½SE¼, NE¼SE¼ Section 26: All Section 27: All Section 28: All Section 29: E½, E½SW¼ Section 32: E½, E½W½, W½SW¼ Section 33: All Section 34: All

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Order 407-2360, Docket No. 171200802, Weld County

Subject: Approves Captiva Energy Partners LLC's request for an order to among other things: Pool all interests in two approximate 320-acre designated horizontal wellbore spacing units, established for the Application Lands, for the development and operation of the Niobrara Formation.

Application lands: Township 4 North, Range 68 West, 6th P.M. Section 32: S½S½ Township 3 North, Range 68 West, 6th P.M. Section 5: N½N½

Order 407-2361, Docket No. 171200803, Weld County

Subject: Approves Captiva Energy Partners LLC's request for an order to among other things: Pool all interests in two approximate 160-acre designated horizontal wellbore spacing units, established for the Application Lands, for the development and operation of the Niobrara and Codell Formations.

Application lands: Township 3 North, Range 68 West, 6th P.M. Section 5: N½N½

Order 407-2362, Docket No. 171200804, Weld County

Subject: Approves Captiva Energy Partners LLC's request for an order to among other things: Pool all interests in four approximate 320-acre designated horizontal wellbore spacing units, established for the Application Lands, for the development and operation of the Niobrara and Codell Formations.

Application lands: Township 3 North, Range 68 West, 6th P.M. Section 5: N½

Group C

Order 535-941, Docket No. 171200852, Weld County

Subject: Approves Mallard Exploration, LLC's request for an order to among other things: 1. Establish an approximate 1280-acre drilling and spacing unit for the Niobrara, Fort Hays, Carlile, and Codell Formations for the Application Lands; and 2. Approve up to 16 horizontal wells, with 12 horizontal wells to be drilled to the Niobrara Formation and four horizontal wells to be drilled to the Codell Formation within the unit

Application lands: Township 8 North, Range 60 West, 6th P.M. Section 2: All Section 11: All

Order 535-942, Docket No. 171200853, Weld County

Subject: Approves Mallard Exploration, LLC's request for an order to among other things: Amend Order No. 535-91 to include the Codell, Fort Hays, and Carlile Formations and approve up to four horizontal wells, within the unit, for the production of oil, gas, and associated hydrocarbons from the Codell, Fort Hays, and Carlile Formations.

Application lands: Township 8 North, Range 60 West, 6th P.M. Section 35: All

Order 535-943, Docket No. 171200854, Weld County

Subject: Approves Mallard Exploration, LLC's request for an order to among other things: 1. Amend Order 535-379 to include the Fort Hays, Codell, and Carlile Formations and approve up to four new horizontal wells within the unit, for the production of oil, gas, and associated hydrocarbons from the

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Fort Hays, Codell, and Carlile Formations; 2. Approve up to a total of 12 horizontal wells, in the an approximate 640-acre drilling and spacing unit established by Order No. 535-379 for the Application Lands, for the production of oil, gas, and associated hydrocarbons from the Niobrara Formation.

Application lands: Township 8 North, Range 60 West, 6th P.M. Section 36: All

Group D

Order 407-2306, Docket No. 171200776, Weld County

Subject: Approves PDC Energy, Inc., LLC's request for an order to among other things: To apply the cost recovery provisions of C.R.S. § 34-60-116(7) to an additional party within two approximate 720-acre designated Wellbore Spacing Units covering the Application Lands, established for the Sandin 24V-341 Well (API #05-123-44662) and the Sandin 24V-401 Well (API #05-123-44666) ("Wells"), which were pooled by Order No. 407-2162.

Application lands: Township 5 North, Range 64 West, 6th P.M. Section 7: W½W½ Section 18: W½W½ Section 19: NW¼NW¼ Township 5 North, Range 65 West, 6th P.M. Section 12: E½E½ Section 13: E½E½ Section 24: NE¼NE¼ Wellbore Spacing Units (each 720.00 acres): Sandin 24V-341 Well (Niobrara) Sandin 24V-401 Well (Codell)

Order 407-2364, Docket No. 180100020, Weld County

Subject: Approves PDC Energy, Inc., LLC's request for an order to among other things: Establish an approximate 2,560-acre drilling and spacing unit for the Application Lands and approve up to 30 horizontal wells in the proposed unit, for production of oil, gas, and associated hydrocarbons from the Niobrara and Codell Formations.

Application lands: Township 4 North, Range 65 West, 6th P.M. Section 28: All Section 29: All Section 32: All Section 33: All

Order 407-2365, Docket No. 180100045, Weld County

Subject: Approves PDC Energy, Inc., LLC's request for an order to among other things: Establish an approximate 1,920-acre drilling and spacing unit for the Application Lands and approve up to 28 horizontal wells in the proposed unit, for production of oil, gas, and associated hydrocarbons from the Niobrara and Codell Formations.

Application lands: Township 4 North, Range 65 West, 6th P.M. Section 31: All Township 3 North, Range 65 West, 6th P.M. Section 6: All Section 7: All

Order 407-2367, Docket No. 180100101, Weld County

Subject: Approves PDC Energy, Inc., LLC's request for an order to among other things: Apply the cost recovery provisions of C.R.S. § 34-60-116(7) to an additional party within a 360-acre Wellbore Spacing Unit covering the Application Lands, established for the Sandin 24C-221 Well (API No. 05-123-44665), which was pooled by Order No. 407-2159.

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Application lands: Township 5 North, Range 65 West, 6th P.M. Section 12: E $\frac{1}{2}$ E $\frac{1}{2}$ Section 13: E $\frac{1}{2}$ E $\frac{1}{2}$ Section 24: NE $\frac{1}{4}$ NE $\frac{1}{4}$

Order 407-2368, Docket No. 180100102, Weld County

Subject: Approves PDC Energy, Inc., LLC's request for an order to among other things: Apply the cost recovery provisions of C.R.S. § 34-60-116(7) to an additional party within four 720-acre Wellbore Spacing Units covering the Application Lands, established for the Sandin 24C-201 well (API No. 05-123-44668), Sandin 24C-241 well (API No. 05-123-44664), Sandin 24C-301 well (API No. 05-123-44670), and the Sandin 24C-321 well (API No. 05-123-44661), which were pooled by Order No. 407-2158.

Application lands: Township 5 North, Range 65 West, 6th P.M. Section 12: E $\frac{1}{2}$ Section 13: E $\frac{1}{2}$ Section 24: N $\frac{1}{2}$ NE $\frac{1}{4}$

Order 407-2369, Docket No. 180100103, Weld County

Subject: Approves PDC Energy, Inc., LLC's request for an order to among other things: Apply the cost recovery provisions of C.R.S. § 34-60-116(7) to an additional party within two 720-acre Wellbore Spacing Units covering the Application Lands, established for the Sandin 24V-341 well (API No. 05-123-44662) and the Sandin 24V-401 well (API No. 05-123-44666), which were pooled by Order No. 407-2162.

Application lands: Township 5 North, Range 64 West, 6th P.M. Section 7: W $\frac{1}{2}$ W $\frac{1}{2}$ Section 18: W $\frac{1}{2}$ W $\frac{1}{2}$ Section 19: NW $\frac{1}{4}$ NW $\frac{1}{4}$ Township 5 North, Range 65 West, 6th P.M. Section 12: E $\frac{1}{2}$ E $\frac{1}{2}$ Section 13: E $\frac{1}{2}$ E $\frac{1}{2}$ Section 24: NE $\frac{1}{4}$ NE $\frac{1}{4}$

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February 13, 2018

The Colorado Oil and Gas Conservation Commission (“COGCC” or “Commission”) met on February 13, 2018, at the Denver office of the COGCC located at 1120 Lincoln Street, Suite 801, Denver, CO 80203. The purpose of this hearing was to continue deliberations on Flowline Rulemaking from the previous hearing, which was held on January 8-9, 2018.*

Tuesday, February 13, 2018

9:00 am **Roll Call of Commissioners:**

Present:

John Benton	Chair
Howard Boigon	Vice Chair
Ashley Ager	Commissioner
Bill Hawkins	Commissioner
Kent Jolley	Commissioner
Erin Overturf	Commissioner
Bob Randall	Commissioner
Dr. Larry Wolk	Commissioner
Matt Lepore	Director
Kyle Davenport	Assistant Attorney General
Julie Prine	Secretary

Industry attorneys, Jim Martin and David Neslin, request permission from Commission to use new expert witness:

Motion:	Commissioner Boigon moved to allow the use of a new expert witness.		
Second:	Commissioner Ager		
Yea:	All	Abstain:	None
Nay:	None	Recused:	None
Result:	Unanimously Approved.		

9:10 am Presentation from OGCC Staff, Re: updated/amended draft rules:

- Matt Lepore, Director
- Mimi Larsen, Assistant Attorney General
- Stuart Ellsworth, Engineering Manager

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10:00 am Presentations from Parties:

- Adams County
- City and County of Broomfield
- Affiliated Local Governments (Boulder County, City of Lafayette, City of Longmont)
- NWCCOG
- Colorado Association of Home Builders
- League of Oil & Gas Impacted Coloradans (LOGIC)
- Oil & Gas Accountability Project
- United Association of Rocky Mountain Pipe Trades
- API-CPC / COGA / Noble Midstream / Colorado Interstate Gas
- Anadarko / Crestone Peak / PDC Energy
- Petron Development

Commissioner Wolk leaves for the remainder of the hearing.

The Commission then discussed and voted on the following matters:

3:00 pm Commissioner Deliberations:

- Commission Directive to Establish a Stakeholder Work Group:
 - o “The Commission directs the Director to empanel a stakeholder group consisting of representatives from industry, local governments, NGOs, and COGCC staff to examine current and developing instrument-based technologies and processes for preventing and detecting leaks and spills from flowlines, and continuing to eliminate risks from flowlines, including the location of flowlines. Staff will present to the Commission at least quarterly on the stakeholder group’s progress. Within one year staff will present a report discussing the results, conclusions, and recommendations, if any, for changes to COGCC’s policies or rules.”
- Amend proposed rules as follows:
 - o 1101.a.(1) to read “An operator must register AN off-location flowline CONSTRUCTED ON OR AFTER MAY 1, 2018...”
 - o 1101a(2)B to read “...information is OR BECOMES known...”
 - o 1101a(2)B(i) added to include “the information set forth in (2)A(i-viii) above”
 - o 1101b(1) to read “...the street address or the latitude and longitude of the point of delivery.”
 - o 1101.d. to read “Upon request from a local ~~government~~ GOVERNMENTAL DESIGNEE(S) OF THE JURISDICTION(S) THROUGH WHICH THE FLOWLINE PASSES , and subject to executing a confidentiality agreement and the provisions of the Colorado Open Records Act, the Commission will provide to the local ~~government~~ GOVERNMENTAL designee(s)...”
 - o 1102.d.(2) to read “All workers performing welding on ~~crude oil transfer~~ STEEL lines IN PRESSURE SERVICE,...”
 - o 1104.f.(4) to include “IF NO GEODATABASE FILE OF THE FLOWLINE EXISTS, THE SMART PIG WILL HAVE GPS CAPABILITIES TO THE

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EXTENT SUCH CAPABILITIES DO NOT MATERIALLY COMPROMISE THE ABILITY OF THE SMART PIG TO CONDUCT THE INTEGRITY TESTING REQUIRED BY THIS SECTION.”

- 1104.h.(1)C. to include “INERT GAS...”
- 602.c. to read “An operator must notify the Director AND THE LOCAL GOVERNMENTAL DESIGNEE OF THE APPLICABLE JURISDICTION...”

Motion to adopt all of the day’s Flowline Rules as amended/rewritten:


Motion:	Commissioner Hawkins moved to adopt the Flowline Rules as amended/rewritten		
Second:	Commissioner Jolley		
Yea:	All	Abstain:	None
Nay:	None	Recused:	None
Result:	Approved (7-0).		

Adjournment:

Motion:	Commissioner Hawkins moved to adjourn.		
Second:	Commissioner Ager		
Yea:	All	Abstain:	None
Nay:	None	Recused:	None
Result:	Commission is adjourned.		

-END-

FOR THE COLORADO OIL AND GAS
CONSERVATION COMMISSION



Julie Spence Prine, Secretary

Approved:



John Benton, Chair